



Neighborhood Improvement Services

Proposed
Proactive Rental Inspection Program
(PRIP)

January 12, 2012



PRIP Overview

Based on North Carolina General Statute 160A-424 “Periodic Inspections”, the City of Durham, through the Department of Neighborhood Improvement Services, is proposing a Proactive Rental Inspection Program (PRIP).

The PRIP will include:

1. Reasonable Cause periodic inspections
2. Designated Area periodic inspections
3. A plan to help low-income rental property owners comply with the minimum housing code
4. Registration of rental units by property owners with code violations
5. Civil penalties for failure to register
6. Self-certification for property owners who want a certificate of registration and compliance



Why have a PRIP program?

Reduce the number of substandard rental units

- Most housing code violations are from rental properties
- The code violations are reported through complaints
- Proactive inspections will identify and correct housing code violations before complaints are received

Provide a plan to help low-income rental property owners comply with the housing code:

- Will provide training and education to rental property owners
- Will encourage dialogue between rental property owners and the City

Registration by rental property owners with housing code violations:

- Encourage voluntary compliance of minimum housing code
- Promotes responsible management
- Safeguards property values
- Provides code enforcement, fire, and police departments with contact information for the owner or agent

Offer Self-Certification:

- Provides marketing tool for compliant rental property owners
- Encourages voluntary compliance of minimum housing code
- Promotes responsible management
- Safeguards property values



How does PRIP support Durham's Strategic Plan ?

Safe and Secure Community

- To reduce unsafe and substandard housing
- To encourage voluntary compliance with the minimum housing code
- To reduce the likelihood that rental housing will become a public nuisance
- To provide contact information for Code Enforcement, Police, and Fire Departments

Thriving, Livable Neighborhoods

- To preserve the quality and value of housing
- To reduce number of substandard rental units
- To improve living conditions in rental units
- To improve neighborhood appearance in areas with large percentages of rental units
- To reduce the likelihood that rental housing will become unfit and uninhabitable



PRIP Program

Dialogue with the Community

NIS made PRIP presentations to each PAC in 2011
98% of PAC survey respondents supported a PRIP program

NIS also made presentations on PRIP to:

- INC
- Durham Crime Cabinet
- Triangle Real Estate Investors Association
- Durham Housing Coalition
- Durham Property Managers (did not support)
- State Senate Commerce Committee
- Key public/private stakeholders—Chamber of Commerce, Capital Broadcasting/American Tobacco, Self Help

Dialogue and discussion with other cities with similar programs:

- Raleigh
- Fayetteville
- Gastonia
- Greensboro

Dialogue and discussion with the UNC School of Government



PRIP Program

Reasonable Cause Inspections

Periodic Inspections only when there is reasonable cause:

1. Owner has history of more than 2 violations within 12 months; OR
2. A complaint of substandard conditions in the building, or request for inspection; OR
3. Department has actual knowledge of unsafe conditions in the building; OR
4. Code violations visible from outside of property



PRIP Program

Designated Area Inspections

- Entire City of Durham will be designated area (designated by City Council)
- Periodic Inspections will be conducted in Target Areas
- Plan does not discriminate in the selection of Target Areas
- Target Areas are based on code enforcement and crime data
- Target Area is a geographic area in the City with a ½ mile radius that has more than 300 code enforcement inspections and 400 documented crime incidents during the prior 1 year period
- Notice will be provided to all owners and residents in Target Areas about the periodic inspections plan
- Public hearing on the plan scheduled for February 6, 2012
- A plan has been developed to address the ability of low-income owners to comply with the housing code: Property Manager Entrepreneurial Program (PMEP)



PRIP Program

Registration of Rental Units

- All property owners that have more than two housing code violations in the prior year will be required to register
- Rental registration will begin January 1, 2013
- Rental property owners will be provided a one-time grace period from March 1, 2012 to December 31, 2012
- After the initial grace period, a Compliance Incentive Program will be offered
- The fee schedule for the Rental Registration is as follows:
 - 20 units or more: \$500 / building
 - 4-19 units: \$300 / building
 - 1-3 units: \$75 / building
- It will be unlawful for the property owner who fails to register as required to rent the rental unit
- Failure to register is not a criminal violation
- Failure to register as required will result in civil penalties of \$300.00 per month, with a maximum penalty of \$5,000



PRIP Program

Registration Grace Period

- To provide rental property owners with time to remediate housing code violations before registration is required, NIS is offering a one-time grace period
- One-time grace period lasts until January 1, 2013
- Property owners with more than two violations during the 12 month period prior to January 1, 2013 will be exempt from registration if:
 1. All violations are corrected on/or before the code enforcement maturity date; and
 2. Owner or property manager attends a landlord training class; and
 3. There are no additional housing code violations
- If the property owner meets all of the conditions, the property owner is not required to register on January 1, 2013



PRIP Program

Registration Compliance Incentive Program

- To encourage compliance before registration is required, NIS will offer an ongoing Compliance Incentive Program
- Begins January 1, 2013
- Property owners with more than two violations during the 12 month period prior to January 1 of the next calendar year will be exempt from registration if:
 1. All violations are corrected on before the code enforcement maturity date; and
 2. Owner or property manager attends a landlord training class; and
 3. There are no additional housing code violations
- If the property owner meets all of the conditions, the property owner is not required to register on January 1 of the next calendar year.



PRIP Program

Property Management Entrepreneurial Program (PMEP):

- NIS has established a plan to address the ability of low-income rental property owners to comply with minimum housing code standards
- The PMEP is an educational rental property development program that will provide training in property rehabilitation to help low-income residential rental property owners comply with minimum housing code standards
- This initiative will supplement the existing Landlord Training program and aid in the Proactive Rental Inspection Program's proactive approach for improving Durham's rental housing stock
- The program will provide technical assistance and foster skills necessary for low-income rental property owners to efficiently manage, rehabilitate, and market rental property



PRIP Program

Self-Certification

- A rental property owner that is not subject to registration but desires a certificate of registration and compliance may participate in the Self-Certification program.
- The self-certification offers rental property owners a three year certificate of registration and compliance.
- For the three year period, the building will not be subject to target area proactive inspections.
- Properties remain subject to reasonable cause inspections.
- Property owners may participate in the Self-Certification Program if:
 1. The building has no Durham Minimum Housing Code violations; and
 2. There are no housing code liens against the building or owner; and
 3. The owner has no outstanding housing code civil penalties; and
 4. The owner or property manager attends a landlord training class
- The owner must certify that conditions at the property meets the interior, exterior, and site standards of the minimum housing code.
- The owner must agree to allow code enforcement officers to conduct random inspections.



PRIP Program

Implementation Schedule

City Council Adoption of PRIP Ordinance: Feb 6, 2012

Proactive Inspections:

Reasonable cause inspections: March 2012

Designated area inspections: March 2012

Registration:

Grace period: March - December 31, 2012

Registration for non-compliant owners: January 2013

Compliance Incentive Program: January 2013

Property Management Entrepreneurial Program (PMEP):

Landlord Training workshops: ongoing/monthly

PMEP Training module: January 2013

Self Certification:

Applications available: March 2012



NIS PRIP Program

Resource Requirements

- Two Code Enforcement Officers (currently on NIS staff) will be dedicated to PRIP designated area program inspections
- Estimated number or target area inspections per year: 1,700 – 2,000
- Annual cost of two officers (including salaries / benefits) is approx \$120,000
- Miscellaneous administrative support (including database software, printing, postage, etc.) is considered to be minimal and will be absorbed in the NIS operating budget



Proactive Rental Inspection Program

??? Questions ???



Proactive Rental Inspection Program

Back-Up Information **Examples of Target Areas**



NIS PRIP Program

Target Area Inspections

To avoid “discrimination” for target areas, selection is based on code enforcement and crime data for the prior 12 month period:

Six areas selected:

1. Wabash @ Ridgeway
2. Scout @ Enterprise
3. Morehead @ Kent
4. Glendale @ W. Trinity
5. Canal @ N. Queen
6. N. Alston @ Liberty

Area	Intersection	Rental Properties	Code Inspections	Crime Incidents	Crime Types: Burglary Vandalism Prostitution Susp Behavior Robbery
1	Wabash @ Ridgeway	180	485	552	
2	Scout @ Enterprise	383	458	515	
3	Morehead @ Kent	520	347	516	
4	Glendale @ W. Trinity	194	393	461	
5	Canal @ N. Queen	191	837	707	
6	N. Alston @ Liberty	396	952	1,041	



PRIP Program

Designated Area Inspections

Target Areas

Area	Intersection
1	Wabash @ Ridgeway
2	Scout @ Enterprise
3	Morehead @ Kent
4	Glendale @ W. Trinity
5	Canal @ N. Queen
6	N. Alston @ Liberty

